

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 2, 2016/2017

### **PAT0074 – INTRODUCTION TO FINANCIAL ACCOUNTING** (Foundation in Business)

10 MARCH 2017  
3.00 P.M-5.00 P.M  
(2 Hours)

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#### INSTRUCTIONS TO STUDENT

1. This question paper consists of **FOUR** pages.
2. Answer **ALL** questions.
3. Write your answers in the Answer Booklet.

**STRUCTURED QUESTIONS [100 MARKS]**

**Instructions:** Answer ALL questions. Write your answers in the Answer Booklet.

**QUESTION 1**

Ken and Ben have been in partnership and always shared profits and losses 3:5. The net profit, before any distribution to the partners, amounted to RM500,000 for the year ended 31 December 2016.

- i) They are entitled to a 15% per annum interest on capital; Ken having RM35,000 capital and Ben RM45,000.
- ii) They charged interest on drawings, Ken being charged RM4,500 and Ben RM3,500.
- iii) Ken and Ben are entitled to salary of RM20,000 and RM30,000 respectively.
- iv) Cash drawings made by each of them is RM15,000 during the year.

**Required**

- a) Prepare income statement showing appropriation section for the year ended 31 December 2016 showing how the net profit is being shared between the partners.  
(14 marks)
- b) Prepare the partners current accounts in columnar form. Close the current accounts.  
(6 marks)

**(Total 20 marks)**

**QUESTION 2**

The following information was given by the treasurer of Genius Club for the activities in 2016:

	<b>RM</b>
Cash balance, 1 January 2016	3,000
<u>Receipts:</u>	
Donation received	6,000
Subscription received for 2016	4,000
Entrance fees	3,000
Sale proceed of equipment (including profit of RM900)	1,000
<u>Payments:</u>	
Field trips expenses	700
Electricity	150
Donations to charity organisations	2,000
General expenses	1,000
Purchase of new office equipment	5,000

**Continued...**

**Required**

- a) Prepare a receipts and payments account. (10 marks)
- b) Prepare an income and expenditure account for the year ending 31 December 2016. (10 marks)
- (Total 20 marks)**

**QUESTION 3****Part A**

The following is the list of balances in the ledger books of Grand Shoppe as at 31 December 2016.

	RM
Cash	3,200
Bank	7,800
Accounts receivable	2,800
Insurance expense	1,700
Office furniture (cost)	29,000
Accounts payable	4,000
Commission received	400
Sales	106,000
Capital	16,800
Drawings	2,000
Purchases	64,000
Salary expense	2,100
Utility expenses	2,700
Opening inventory	4,000
Advertising expenses	5,600
Carriage outwards	2,300

Notes to the accounts as at 31 December 2016:

- i) Closing inventory RM3,000.
- ii) Depreciation of the furniture is to be charged at the rate of 10% on cost.
- iii) Salaries outstanding of RM400.
- iv) Commission earned but not yet received RM200.
- v) Bad debts written off RM500.

**Required**

Prepare

- a) Statement of profit or loss for the year ending 31 December 2016. (12 marks)
- b) Statement of financial position for Grand Shoppe as at 31 December 2016. (13 marks)

**Continued...**

**Part B**

		Statement section	Inflow or outflow
	<b>Example: Merchandise purchased from supplier</b>	<b>Operating activities</b>	<b>Outflow</b>
a)	Purchase of equipment		
b)	Issuance of ordinary shares		
c)	Collections from customers		
d)	Dividend payments to shareholders		
e)	Sale of building		

**Required**

For each of the above activities, indicate in which section of the statement of cash flows it would be recorded and state it should be listed as cash inflow or cash outflow. (5 marks)

(Total 30 marks)

**QUESTION 4****Part A**

- i) Star Ltd. has an issued and paid-up capital consisting of 15,000 ordinary shares of RM2 each, 10,000 12% cumulative preference shares of RM5 each and 10,000 16% non-cumulative preference shares of RM3 each.

**Required**

Prepare the statement of financial position as at 31 December (extract) to show the amount of issued and paid-up capital. (10 marks)

- ii) The issued and paid-up capital of Track Ltd. includes 20,000 cumulative preference shares with a RM5 par value at 15% dividend rate and 20,000 ordinary shares with a RM2 par value.

During its first five years of operation, the corporation declared and paid the following total amounts of dividends:

2012	2013	2014	2015	2016
RM 15,000	RM18,000	RM10,000	RM25,000	RM13,000

**Required**

Determine the amount of dividends paid each year to the preference shareholders and ordinary shareholders.

Continued...

**\*Please copy the following table to your answer booklet.**

Year	2012 RM	2013 RM	2014 RM	2015 RM	2016 RM
Total dividends					
Cumulative Preference dividend					
Ordinary dividend					

(10 marks)

### **Part B**

Jelita Enterprise is in the business of selling various wood crafts since January 2015. Below are the accounting data of Jelita Enterprise for the past two years:

<b>Statement of Profit or Loss (extracts) for the year ending</b>		
	<b><u>31 December 2015</u></b>	<b><u>31 December 2016</u></b>
	<b><u>RM</u></b>	<b><u>RM</u></b>
Net sales	600,000	700,000
Opening Inventory	20,000	60,000
Net Purchases	240,000	360,000
Closing Inventory	60,000	50,000
Gross Profit	400,000	330,000
Expenses	100,000	200,000

<b>Statement of financial position(extracts) as at</b>		
	<b><u>31 December 2015</u></b>	<b><u>31 December 2016</u></b>
	<b><u>RM</u></b>	<b><u>RM</u></b>
Total current assets	200,000	300,000
Total current liabilities	400,000	500,000

### **Required**

Compute the following ratios for the year 2015 and 2016 for Jelita Enterprise:

- i) Net profit margin (3 marks)
- ii) Inventory turnover ratio (4 marks)
- iii) Current ratio (3 marks)

**(Total 30 marks)**

**End of Paper**